

**FIRST APPLICATION OF ZOLFO COOPER, LLC
FOR ALLOWANCE OF INTERIM COMPENSATION FOR SERVICES RENDERED
AS SPECIAL FINANCIAL ADVISORS AND BANKRUPTCY CONSULTANTS
TO THE DEBTORS
AND FOR REIMBURSEMENT OF EXPENSES UNDER 11 U.S.C. § 330 (a)**

EXHIBIT A

Order Authorizing the Retention of Zolfo Cooper, LLC as Special Financial Advisors and Bankruptcy Consultants to the Debtors, along with the related Application of the Bankruptcy Court for such retention authority and supporting Affidavit of Philip J. Gund

**THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

	-----)	
)	
In re:	)	Chapter 11
)	
Randall's Island Family Golf)	
Centers, Inc., et al.	)	Case Nos. 00-41065 through 00-41196
)	
Debtors	)	Judge Stuart M. Bernstein
)	
	-----)	Jointly Administered

**ORDER AUTHORIZING DEBTORS TO EMPLOY ZOLFO COOPER, LLC
AS BANKRUPTCY CONSULTANTS AND SPECIAL FINANCIAL ADVISORS
TO THE DEBTORS**

This matter coming to be heard upon the annexed Application of the Debtors for an Order Authorizing the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") to employ Zolfo Cooper, LLC (either Zolfo Cooper, LLC or an affiliate thereof, "ZC" or the "Firm") as Bankruptcy Consultants and Special Financial Advisors to the Debtors (the "Application"); upon the subjoined nonobjection of the Official Committee of Unsecured Creditors and the U.S. Trustee; upon the testimony provided at the hearing in connection with the motion and the Court having reviewed the Application and the appended Affidavit in support of such Application of Philip J. Gund, a member of ZC; it appearing to the Court that: (i) notice of the filing of the Application was adequate under the circumstances; (ii) ZC does not hold or represent any interest adverse to the interests of the Debtors, their estates, their creditors or other parties in interest, the United States Trustee or anyone employed in the Office of

the United States Trustee in the matters upon which ZC is to be engaged and is a "disinterested person" as that term is defined in § 101(14) of the Bankruptcy Code; (iii) the Debtors require the assistance of knowledgeable Bankruptcy Consultants and Special Financial Advisors and desire to employ and retain ZC pursuant to § 327 of the United States Code, to render the essential services set forth in the Application as needed during the course of these chapter 11 proceedings and that ZC is well qualified to render such services; (iv) this Court has proper jurisdiction with respect to the granting of the relief requested herein; and (v) the employment and retention of ZC is in the best interests of the Debtors, their respective estates, their creditors and other parties in interest herein; the Court being fully advised in the premises and having determined that the legal and factual bases set forth in the Application and the appended Affidavit of Philip J. Gund, which are in full compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules, establish just and sufficient cause for the relief granted herein;

IT IS HEREBY ORDERED that, nunc pro tunc, as of May 4, 2000:

(1) The Debtors shall be, and hereby are, authorized to employ and retain ZC as their Bankruptcy Consultants and Special Financial Advisors in connection with these chapter 11 cases and the Debtors' businesses generally, under a general retainer upon the terms and for the purposes set forth and as requested in the Application and appended Affidavit of Philip J. Gund and attachments thereto;

(2) ZC shall be, and hereby is, authorized to perform the services enumerated in the Application and the Affidavit of Philip J. Gund;

(3) The Debtors shall be and hereby are authorized to pay ZC upon receipt of the invoice by the Debtors for the professional services rendered and reimburse ZC for the out-of-pocket expenses incurred in the prior month in accordance with the administrative procedures established by the Bankruptcy Court; provided however, that all such payments by the Debtors shall be on account of and subject to formal applications by ZC for allowances of compensation and reimbursement of out-of-pocket expenses, and provided, further that ZC shall submit such applications for allowances, prepared in accordance with the "Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases," dated June 30, 1991, at such times as may be required by the Court during the pendency of these Chapter 11 cases;

(4) ZC be and hereby is authorized to hold its retainer after application of any outstanding prepetition fees and expenses, subject to further order of the Bankruptcy Court; and

(5) Subject to ZC's compliance with the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules in applying for allowance of ZC's compensation and reimbursement of ZC's out-of-pocket expenses, and the approval of the compensation and reimbursement of expenses as meet with appropriate legal standards, ZC's billing practices, billing rates, methods of charging expenses, and staffing approach, be, and hereby are approved as enumerated in the Application and in the Affidavit of Philip J. Gund.

Dated: August 17, 2000

New York, New York

/s/ Stuart M. Bernstein

UNITED STATES BANKRUPTCY JUDGE
FOR THE SOUTHERN DISTRICT OF NEW YORK

NO OBJECTION

OFFICE OF THE UNITED STATES TRUSTEE

By: _____

Presentment Date and Time
July 10, 2000 at 12 noon

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____	X	
	:	Chapter 11 Case Nos.
In re:	:	
	:	00-41065 (SMB) through
RANDALL'S ISLAND FAMILY	:	00-41196 (SMB)
GOLF CENTERS, INC., et al.,	:	
Debtors.	:	(Jointly Administered)
_____	X	

**NOTICE OF PRESENTMENT OF ORDER AUTHORIZING EMPLOYMENT
AND RETENTION OF ZOLFO COOPER, LLC AS BANKRUPTCY CONSULTANTS
AND SPECIAL FINANCIAL ADVISORS TO THE DEBTORS AND OPPORTUNITY
FOR A HEARING**

PLEASE TAKE NOTICE that upon the annexed application (the "Application") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), the undersigned will present the proposed order annexed to the Application to the Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, for signature on July 10, 2000 at 12 noon.

PLEASE TAKE FURTHER NOTICE that unless a written objection to the proposed order, with proof of service, is filed with the Clerk of the Court and a courtesy copy is delivered to the Bankruptcy Judge's chambers at least three days before the date of presentment there will not be a hearing and the order may be signed.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and of the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
June 26, 2000

**PROPOSED BANKRUPTCY
CONSULTANTS AND SPECIAL
FINANCIAL ADVISORS TO THE
ABOVE CAPTIONED DEBTORS
AND DEBTORS IN POSSESSION**

**ZOLFO COOPER, LLC
292 MADISON AVENUE
NEW YORK, NY 10017
(212) 213-5555**

By: /s/ Philip J. Gund
Philip J. Gund

To: See Below

Brian Masumoto
Office of the United States Trustee
33 Whitehall Street
21st Floor
New York, NY 10004

Richard S. Toder, Esq.
Morgan, Lewis & Bockius
101 Park Avenue
40th Floor
New York, NY 10178

Daniel C. Fleming
Wong Fleming PC
Edison Square West, Suite 1050
2035 Lincoln Highway
Edison, NJ 08817

The Chase Manhattan Bank,
as Agent for a Group of Lenders
395 North Service Road
Melville, NY 11747

James S. Carr, Esq.
Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10178

Robert D. Gordon, Esq.
Jackeir, Gould, Bean, Upfal & Eizelman
Second Floor
121 West Long Lake Road
Bloomfield Hills, MI 48304-2719

Mr. Brian Ashley
4529 Oak Point Drive
Brighton, MI 48116

Stacy Tick Kudler, Esq.
Metropolitan Transportation Authority
Legal Department 9th Floor
347 Madison Avenue
New York, NY 10017

Howard Seife, Esq.
Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, NY 10112

Joseph Aronauer, Esq.
Aronauer, Goldfarb, Sills, & Re, LLP
444 Madison Avenue, 17th Floor

Golf Real Estate, Inc.
Golf Operations, Inc.
c/o Joseph P. Witherspoon III
Pollicoff, Smith & Remels, L.L.P.
One Greenway Plaza, Suite 300
Houston, TX 77046

Eloise A. Guzman, Esq.
Linebarger Heard Goggan Blair Graham Pena &
Sampson, LLP
P.O. Box 3064
Houston, TX 77253-3064

Daniel J. Flanigan, Esq.
James E. Bird, Esq.
Brett D. Anders, Esq.
Polsinelli, White, Vardeman & Shalton, P.C.
700 West 47th Street, Suite 1000
Kansas City, MO 64112

United States Trust Company of New York, as Indenture
Trustee
114 West 47th Street 25H
New York, NY 10036
Attn: Gerard F. Ganey, Senior Vice President

Laurie J. Heydman
Assistant City Attorney
City and County of Denver
1437 Bannock Street, Room 353
Denver, CO 80202

Heidi S. Sorvino, Esq.
Pitney, Hardin, Kipp & Szuch LLP
P.O. Box 1945
Morriston, NJ 07962-1945

Zachary B. Kass, Esq.
Robinson Silverman Pearce Aronsohn & Berman LLP
1290 Avenue of the Americas
New York, NY 10104

W. Timothy Miller, Esq.
Taft, Stettinius & Hollister LLP
1800 Firstar Tower
425 Walnut Street
Cincinnati, OH 45202-3957

Francis L. Gorman, III, Esq.
Attorney for Landlords
1265 Scottsville Road
Rochester, NY 14624

Christopher Beard, Esq.
Beard & Beard
4601 North Park Avenue

New York, NY 10022

Frank N. Tobolsky, Esq.
132 Lucerne Blvd.
Cherry Hill, NJ 08003

Edward S. Weisfelner, Esq.
Berlack, Israels & Liberman LLP
120 West 45th Street
New York, NY 10036

Theodore F. Kahn, Esq.
Vice President & Senior Counsel
American Golf Corporation, Inc.
2951 28th Street
Santa Monica, CA 90405

Karen Gilman, Esq.
Wolff & Samson, P.C.
5 Becker Farm Road
Roseland, NJ 07068-1776

Joseph Lubertazzi, Jr.
McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102-4096

George R. Hirsch, Esq.
Bressler, Amery & Ross, P.C.
17 State Street, 34th Floor
New York, NY 10004

John A. Pistocchi, Esq.
Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, NY 10178-0060

Neil Berger, Esq.
Togut, Segal & Segal LLP
One Penn Plaza - Suite 3335
New York, NY 10119

Linda D. Fox, Esq.
Sheppard, Mullin, Richter & Hampton LLP
501 West Broadway, 19th Floor
San Diego, CA 92101

Chevy Chase, MD 20815

Harlan L. Schlossberg, Esq.
P.O. Box 443
Mount Freedom, NJ 07970

Jeffrey A. Krieger, Esq.
Greenberg Glusker Fields Claman & Machtinger LLP
1900 Avenue of the Stars Suite 2100
Los Angeles, CA 90067

Michael S. Schreiber, Esq.
Robinson Brog Leinwand Greene Genovese & Gluck
P.C.
1345 Avenue of the Americas
New York, NY 10105-0143

Hugh P. Finnegan, Esq.
Siller Wilk LLP
747 Third Avenue
New York, NY 10017

Robert L. Pryor, Esq.
Pryor & Mandelup, LLP
675 Old Country Road
Westbury, NY 11590

Tony Praino
IBM Credit Corporation
Restructuring Group
North Castle Drive MD NO317
Armonk, NY 10504

W.S. Petorivic
Eaton Corporation
1111 Superior Avenue
Cleveland, OH 44114

Lara P. Emouna, Esq.
Gleich, Siegel & Farkas
Attorneys for Trade Plaza Associates
36 South Station Plaza
Great Neck, NY 11021

Donald A. English, Esq.
English & Gloven, P.C.
550 West "C" Street, Suite 1800
San Diego, CA 92101

Judith Sturtz Karp, Esq.
Kirkpatrick & Lockhart, LLP
1800 Massachusetts Avenue, N.W.
Second Floor
Washington, D.C. 20036

James H. Billingsley
Huges & Luce, LLP
1717 Main Street, Suite 2800
Dallas, TX 75201

Brian L. Budsberg, Esq.
Counsel for Port Olympia
Owens Davies Mackie, P.S.
P.O. Box 187
Olympia, WA 98507

Amy L. Bostic, Esq.
Thompson Hine & Flory, LLP
10 W. Broad Street, 7th Floor
Columbus, OH 43215-3435

Michael B. Schaedle, Esq.
Blank Rome Comisky & McCauley LLP
One Logan Square
Philadelphia, PA 19103

Steven Taitz, Esq.
Roe Wallace Esteve Taroff & Taitz, LLP
Attorneys for Creditor Fox Linen Corp.
20 Church Street
P.O. Box 352
Patchogue, NY 11772

Franz A. Geiger, Esq.
N.P. Limited Partnership
8425 Pulsar Place, Suite 240
Columbus, OH 43240

Carlos C. Cuervas, Esq.
Del Bello Donnellan Weingarten, LLP
One North Lexington Avenue
White Plains, NY 10601

Jerome Berkman, Esq.
Day, Berry & Howard LLP
Cityplace I
Hartford, CT 06103-3499

Louis F. Solimine, Esq.
Thompson Hine & Flory, LLP
312 Walnut Street, 14th Floor
Cincinnati, OH 45202-4029

Marc A. Pergament, Esq.
Weinberg, Kaley, Gross & Pergament, LLP
400 Garden City - Suite 403
Garden City, NY 11530

Steven A. Lessne, Esq.
Blank Rome Comisky & McCauley LLP
1200 N. Federal Highway, Suite 417
Boca Raton, FL 33432

Thomas E. Cabaniss, Esq.
McGuire, Woods, Battle & Boothe LLP
Bank of America Corporate Center
Suite 2900
100 North Tryon Street
Charlotte, NC 28202

John H. Maddock III, Esq.
McGuire, Woods, Battle & Boothe LLP
One James Center
901 East Cary Street
Richmond, VA 23219-4030

**THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

)	
)	
In re:	)	Chapter 11
)	
Randall's Island Family Golf)	
Centers, Inc., et al.	)	Case Nos. 00-41065 through 00-41196
)	
Debtors	)	Judge Stuart M. Bernstein
)	
	)	Jointly Administered

**APPLICATION OF DEBTORS FOR AUTHORITY TO EMPLOY
ZOLFO COOPER, LLC AS BANKRUPTCY CONSULTANTS AND SPECIAL
FINANCIAL ADVISORS TO THE DEBTORS**

The above-captioned debtors and debtors-in-possession (collectively the "Debtors") hereby apply for an order authorizing their employment of Zolfo Cooper, LLC (either Zolfo Cooper, LLC or an affiliate thereof, "ZC" or the "Firm") as Bankruptcy Consultants and Special Financial Advisors nunc pro tunc to May 4, 2000. In support of this Application, the Debtors respectfully represent as follows:

1. On May 4, 2000 (the "Petition Date"), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("The Bankruptcy Code"). Since the Petition Date, the Debtors have continued to operate their businesses and manage their properties as debtors-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The Debtors' cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of this Court.

3. The Debtors are very large, complex enterprises, principally engaged in the operation of full service golf centers and certain related businesses, with operations at over 110 locations throughout the United States and Canada with its corporate offices in Melville, New York. Accordingly, the Debtors require the services of experienced Bankruptcy Consultants and Special Financial Advisors to assist them in restructuring the business and developing, negotiating and confirming Plans of Reorganization. Because of ZC's expertise and experience at a national level in providing reorganization, accounting and a broad range of consulting services to debtors and other parties in interest in financially complex troubled situations, the Debtors have requested that ZC provide such services to them.

4. The Debtors wish to employ and retain ZC to perform the necessary services described hereinafter as Bankruptcy Consultants and Special Financial Advisors pursuant to § 327 of the Bankruptcy Code and Local Bankruptcy Rule. ZC is prepared to provide immediate assistance to the Debtors. The Debtors have selected ZC because of ZC's experience at a national level in matters of this character and its exemplary qualifications to perform the services required in this case. The retention and employment of ZC is in the best interests of creditors and the best interests of the estate.

5. ZC is well qualified to serve as Bankruptcy Consultants and Special Financial Advisors to the Debtors. ZC specializes in assisting and advising debtors, creditors, investors and court-appointed officials in bankruptcy proceedings and out-of-court workouts. Its services have included assistance in developing/analyzing and evaluating, negotiating and confirming plans of reorganization and testifying regarding debt restructuring, feasibility and other relevant issues. ZC has been retained in numerous nationally prominent bankruptcy proceedings. ZC's qualifications, including a description of its staffing and approach in providing services are more fully set forth in the appended Affidavit of Philip J. Gund filed in support of this application and in the Statement of Qualifications attached thereto as Exhibit "B."

6. On or about on August 11, 1999 the Debtors engaged ZC to: a) Assist management in analyzing the Company's short-term cash flow forecast, and provide advice with respect to developing and implementing actions intended to improve liquidity, b) Advise and assist management in refining its long-term business plan, to will serve as a basis for the development of a capital restructuring plan for the Company, c) Based on the financial projections developed in the long-term business plan, advise and assist management in developing and evaluating alternative capital structures as a basis for formulating a restructuring plan, d) Advise and assist management in negotiating a new capital structure with its various creditor constituencies, as appropriate, and e) Perform other services as were request and we agreed to provide. Additionally, the Debtors engaged ZC on October 25, 1999 to provide the following additional services: a) Advise and assist management with its cash management; b) Advise and assist management with its asset disposition program; c) Advise and assist management with improvement of its current accounting, internal control procedures, and other management processes; d) Advise and assist management with the administration of the construction budget process; and e) Perform other services as were requested and we agreed to provide. On December 6, 1999, the Debtors engaged Zolfo Cooper Management, LLC, and affiliate of ZC ("ZCM") to provide management services to the Debtors, electing the services of Stephen Cooper as the Chief Restructuring Officer and Philip Gund as the Acting Chief Financial Officer and other staff to perform other services as required. Such ZCM engagement ran parallel with the ZC advisory engagement of October 25, 1999. ZC provided such management and advisory services from the date of its engagement to May 1, 2000, at which time ZC resigned from the position of Chief Restructuring Officer and on April 16, 2000, the Debtors' hired a permanent Chief Financial Officer and at such time ZC's services as Acting Chief Financial officer ceased.

7. To the best of the Debtors' knowledge, information and belief, ZC is not related to or connected with and neither holds nor represents any interest adverse to the Debtors, their respective estates, their creditors or any other party in interest herein or their respective attorneys or the United States Trustee or anyone employed in the Office of the United States Trustee in the matters for which ZC is proposed to be retained, except that ZC is connected with the Debtors by virtue of this engagement, and ZC may represent or have represented certain of the Debtors' creditors or other parties in interest herein, or interests adverse to such creditors or other parties

in interest herein, in matters unrelated to these chapter 11 cases. Consequently, ZC is a "disinterested person," as that term is defined in § 101(14) of the Bankruptcy Code and as required by § 327(a) of the Bankruptcy Code. The Affidavit of Philip J. Gund, executed on behalf of ZC in accordance with § 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014, is appended hereto and incorporated herein by reference. The Debtors' knowledge, information and belief regarding the matters set forth in this paragraph are based, and made in reliance, upon said affidavit. ZC informed the Debtors that it has undertaken a detailed search of available information as set forth below, to determine and to disclose, whether it is performing or has performed services for any significant creditors, equity security holders or insiders in such unrelated matters.

8. Based on the appended affidavit of Philip J. Gund, in connection with its proposed retention by the Debtors in these cases, ZC undertook to determine whether it had any conflicts or other relationships that might bear on its retention. Prior to 1995, ZC did not maintain a formal database of completed assignments listing its former clients' affiliates, officers, directors, principal shareholders and their respective affiliates. Consequently, ZC researched its client files and records which contain information retained under its normal record retention policies, and, based upon its research, constructed a database of entities for which ZC had performed services during the prior five years (the "Client Database"). ZC has since maintained the Client Database and expanded it to include entities for which ZC performed services subsequently.

9. Based on the appended affidavit of Philip J. Gund, it should be understood that ZC's former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates may have had relationships with parties in interest in these bankruptcy cases of which ZC was not informed or, subsequent to the performance of ZC's services, may have developed relationships with such parties of which ZC is unaware. Moreover, the client files and records from which the Client Database was developed initially were not designed for the purpose of documenting client relationships. In addition, such files and records, at a previous time, may have contained pertinent information that was subsequently disposed of in accordance with ZC's

normal record retention policy. Therefore, the Client Database may omit certain relationships that satisfy the criteria set forth above.

10. Based on the appended affidavit of Philip J. Gund, in addition to ZC's former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates, ZC's Client Database includes the limited partners, investees, and their respective affiliates that are known to ZC, of Catalyst Equity Fund, LP (the "Fund"), a Delaware limited partnership that invests in middle market businesses that are not performing to their full potential, primarily financially distressed companies. The Fund's general partner, Catalyst Equity Fund Partners, LLC ("CEFP"), a Delaware limited liability company, is majority-owned by CFL Capital, LLC ("CFL"), a New Jersey limited liability company that is controlled (through limited partnerships under their control) by Stephen F. Cooper, Michael E. France and Leonard J. LoBiondo, who are partners and principals of ZC. The limited partners, consisting of large financial institutions, funds and sophisticated individual investors and investment trusts, are passive investors in the Fund that are not required to disclose to the Fund, CEFP, CFL or ZC their holdings or interests. Accordingly, they may own interests in or otherwise be connected to the Debtors, the Debtors' creditors, other parties in interest herein or interests adverse to such parties of which the Fund, CEFP, CFL and ZC are not aware. The limited partners are the following entities or affiliates thereof: BancBoston, William R. Berkley, Chase, Citibank, N.A., Cramer Rosenthal McGlynn, Inc., CRM 20/20 Fund, LLC, Duane Morris & Heckscher, LLP, David Dillard, The Zuckerman Children's Trust, First Union National Bank, Michael Fuchs, General Electric Capital Corporation, RS Catalyst Limited Partnership, R & M Catalyst Investors, Hexagon Investments, Inc., Robert J. Higgins, ING Barings (U.S.) Capital Corporation, Robert Martin, Hoyt C. Murray, John E. O'Connor, James A. Paduano, the Pergament Family, Edwin Roland, Nicholas J. and Julie Sakellariadis, David Supino, Linda J. Pohs, John R. Tillotson, Lad Equity Partners, L.P., P.E. Partners, LLC, and Travelers Insurance Group.

11. Based on the appended affidavit of Philip J. Gund, ZC is further connected with Chase through ZC's minority ownership in and other relationships (including participation in a credit

facility granted by Chase) to a subsidiary of Chase. Currently, ZC is also providing the subsidiary advisory and management services including board representation.

12. To the best of ZC's knowledge and belief, except as set forth in Schedule 1 to the affidavit Philip J. Gund, none of ZC's former clients (including their affiliates, officers, directors, principal shareholders and their respective affiliates) or the limited partners or investees (including their respective affiliates that are known to ZC) of the Fund or Chase is connected to the entities listed below, other parties in interest herein or interests adverse to such parties:

- (a) the Debtors and their affiliates;
- (b) the Debtors' officers and directors;
- (c) the 20 largest unsecured creditors of each Debtor;
- (d) parties to significant litigation with the Debtors;
- (e) the attorneys, accountants and other advisors that the Debtors have sought authority to employ in these chapter 11 cases, pursuant to applications filed on the Petition Date;
- (f) material secured lenders;
- (g) material unsecured bank lenders;

13. ZC has indicated that it will promptly update its Affidavit, disclosing any material developments regarding the Debtor or any other pertinent relationships that require disclosure in the above-referenced case, if and when any such developments or relationships come to ZC's attention.

14. ZC has agreed to provide assistance to the Debtors in accordance with the terms and conditions which are set forth in the appended Affidavit of Philip J. Gund filed in support of this application and in the Engagement Letter which is appended thereto as Exhibit "A" and incorporated therein by reference.

15. All the services that ZC will provide to the Debtors will be: (i) at the request of the Debtors, (ii) appropriately directed by the Debtors so as to avoid duplicative efforts among the professionals retained in the case and (iii) performed in accordance with applicable standards of the accounting profession. It is presently anticipated that ZC will provide the following services:

- (a) Advise and assist management in organizing the Debtors' resources and activities so as to effectively and efficiently plan, coordinate and manage the chapter 11 process and communicate with customers, lenders, suppliers, employees, shareholders and other parties in interest;
- (b) Assist management in designing and implementing programs to manage or divest assets, improve operations, reduce costs and restructure as necessary with the objective of rehabilitating the business;
- (c) Advise the Debtors concerning interfacing with Official Committees, other constituencies and their professionals, including the preparation of financial and operating information required by such parties and/or the Bankruptcy Court;
- (d) Advise and assist management in the development of a Plan of Reorganization and underlying Business Plan, including the related assumptions and rationale, along with other information to be included in the Disclosure Statement;
- (e) Advise and assist the Debtors in forecasting, planning, controlling and other aspects of managing cash, and, if necessary, obtaining DIP and/or Exit financing;
- (f) Advise the Debtors with respect to resolving disputes and otherwise managing the claims process;
- (g) Advise and assist the Debtors in negotiating a Plan of Reorganization with the various creditor and other constituencies;
- (h) As requested, render expert testimony concerning the feasibility of a Plan of Reorganization and other matters that may arise in the case; and
- (i) Provide such other services as may be required by the Debtors.

16. ZC's decision to accept this engagement to advise and assist the Debtors is contingent upon its ability to be retained in accordance with its customary terms and conditions of employment and compensated for its services and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices which are outlined in the appended Affidavit of Philip J. Gund filed in support of this application.

17. ZC understands and accepts that the terms of its employment must be approved by the Bankruptcy Court and that the fees it will ultimately receive will be allowed by the Bankruptcy Court and will depend among other things on the quality of its work. However, ZC would prefer

to resolve at this time any objections, by the Bankruptcy Court or other parties in interest, with respect to its billing practices, including its billing rates and methods of charging expenses. Accordingly, ZC has chosen to be very explicit in setting forth in the appended affidavit of Philip J. Gund the terms and conditions of its employment, its staffing and approach and its billing practices, and has requested that the Debtors seek this Court's approval of such matters contemporaneously with the filing of this application.

18. No previous application for the relief requested herein has been made in these chapter 11 cases.

WHEREFORE, Debtors respectfully request that the Court enter an order in the form attached hereto, permitting the Debtors to employ ZC in these cases, approving the above-referenced billing practices and other terms and conditions of employment and granting such other and further relief as the Court deems just and proper.

Dated: June 22, 2000

Melville, New York

/s/ Dominic Chang
Dominic Chang
Chairman & Chief Executive Officer

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

	--)	
)	
In re:	)	Chapter 11
)	
Randall's Island Family Golf	)	Case Nos. 00-41065 through 00-41196
Centers, Inc., <u>et al.</u> ,)	
Debtors	)	Jointly Administered
)	
	-)	

**1st SUPPLEMENTAL AFFIDAVIT OF PHILIP J. GUND IN SUPPORT OF DEBTORS'
APPLICATION FOR AUTHORITY TO RETAIN ZOLFO COOPER, LLC
AS BANKRUPTCY CONSULTANTS AND SPECIAL FINANCIAL ADVISORS
TO THE DEBTORS AND DEBTORS-IN-POSSESSION**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

PHILIP J. GUND, being duly sworn according to law, upon his oath, deposes and says:

1. I submit this affidavit (the "Zolfo Cooper, LLC Supplemental Affidavit") in supplement and in support of that certain Affidavit of Philip J. Gund in Support of the Application of the Debtors For Authority to Retain Zolfo Cooper, LLC as its Bankruptcy Consultants and Special Financial Advisors dated June 22, 2000 (the "Zolfo Cooper, LLC Affidavit").

2. On June 22, 2000 the Debtors' filed an Application to Employ Zolfo Cooper, LLC as Bankruptcy Consultants and Special Financial Advisors to the Debtors (the "Application") nunc pro tunc to May 4, 2000. On May 5, 2000 the Debtors had previously served on the Bankruptcy Court and the U.S. Trustee, at the Bankruptcy Court hearing to hear certain first day orders and for the Debtors' use of cash collateral an Application to retain Zolfo Cooper, LLC for an interim period subject a final application (the "Initial Application") with the non-objection of the U.S. Trustee and the Bank Group, however; the Initial Application was not electronically filed or filed with the clerk at the Bankruptcy Court. As a result, the Debtors'

in its Application and Zolfo Cooper, LLC in its Affidavit wished to reconfirm Zolfo Cooper's, retention during the interim period and filed in its Application for the retention of Zolfo Cooper, LLC nunc pro tunc to May 4, 2000.

3. ZC will promptly update and supplement the Zolfo Cooper, LLC Supplemental Affidavit and the Zolfo Cooper, LLC Affidavit, disclosing any material developments regarding the Debtors or any other pertinent relationships that require disclosure in the above-referenced cases, if and when any such developments or relationships come to ZC's attention.
4. All of the Statements contained in Zolfo Cooper, LLC Affidavit are repeated herein as if the statements were more fully set forth in detail below.

/s/ Philip J. Gund
Philip J. Gund

Sworn and subscribed to
before me this 7th day
of July, 2000

/s/ Marybeth Delury
Notary Public
State of New York
No. 01DE6003606
Qualified in Suffolk County
Commission Expires 3/09/2002

-----)	
)	
In re:)	Chapter 11
)	
Randall's Island Family Golf)	Case Nos. 00-41065 through 00-41196 smb
Centers, Inc., et al.,)	
Debtors)	Jointly Administered
)	
-----)	

[illegible]

1. I am a member of the firm Zolfo Cooper, LLC (either Zolfo Cooper, LLC or an affiliate thereof, "ZC" or the "Firm"), which has offices at 292 Madison Avenue, New York, New York 10017, at 1395 Route 23 South, Butler, New Jersey 07405 and at 1801 Avenue of the Stars, Los Angeles, California 90067.

1

3. To the best of my knowledge and belief, insofar as I have been able to ascertain after due inquiry, no one of the members or employees of ZC is related to Randall's Island Family Golf Centers, Inc., debtors and debtors-in-possession, the other above-captioned debtors and debtors-in-possession (collectively the "Debtors"), their creditors, other parties in interest herein, or the United States Trustee or anyone employed in the Office of the United States Trustee, or holds or represents any interest adverse to any such party, except that ZC is connected with the Debtors by virtue of this engagement and ZC may represent or have represented certain of the Debtors' creditors or other parties in interest herein, or interests adverse to such creditors or other parties in interest herein, in matters unrelated to these cases.

4. In connection with its proposed retention by the Debtors in these cases, ZC undertook to determine whether it had any conflicts or other relationships that might bear on its retention. Prior to 1995, ZC did not maintain a formal database of completed assignments listing its former clients' affiliates, officers, directors, principal shareholders and their respective affiliates. Consequently, ZC researched its client files and records which contain information retained under its normal record retention policies, and, based upon its research, constructed a database of entities for which ZC had performed services during the prior five years (the "Client Database"). ZC has since maintained the Client Database and expanded it to include entities for which ZC performed services subsequently.

5. It should be understood that ZC's former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates may have had relationships with parties in interest in these bankruptcy cases of which ZC was not informed or, subsequent to the performance of ZC's services, may have developed relationships with such parties of which ZC is unaware. Moreover, the client files and records from which the Client Database was developed initially were not designed for the purpose of documenting client relationships. In addition, such files and records, at a previous time, may have contained pertinent information that was subsequently disposed of in accordance with our normal record retention policy. Therefore, the Client Database may omit certain relationships that satisfy the criteria set forth above.

6. In addition to ZC's former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates, the Client Database includes the limited partners, investees, and their respective affiliates that are known to ZC, of Catalyst Equity Fund, LP (the "Fund"), a Delaware limited partnership that invests in middle market businesses that are not performing to their full potential, primarily financially distressed companies. The Fund's general partner, Catalyst Equity Fund Partners, LLC ("CEFP"), a Delaware limited liability company, is majority-owned by CFL Capital, LLC ("CFL"), a New Jersey limited liability company that is controlled (through limited partnerships under their control) by Stephen F. Cooper, Michael E. France and Leonard J. LoBiondo, who are partners and principals of ZC. The limited partners, consisting of large financial institutions, funds and sophisticated individual investors and investment trusts, are passive investors in the Fund that are not required to disclose to the Fund, CEFP, CFL or ZC their holdings or interests. Accordingly, they may own interests in or otherwise be connected to the Debtors, the Debtors' creditors, other parties in interest herein or interests adverse to such parties of which the Fund, CEFP, CFL and ZC are not aware. The limited partners are the following entities or affiliates thereof: BancBoston, William R. Berkley, Chase, Citibank, N.A., Cramer Rosenthal McGlynn, Inc., CRM 20/20 Fund, LLC, Duane Morris

& Heckscher, LLP, David Dillard, The Zuckerman Children's Trust, First Union National Bank, Michael Fuchs, General Electric Capital Corporation, RS Catalyst Limited Partnership, R & M Catalyst Investors, Hexagon Investments, Inc., Robert J. Higgins, ING Barings (U.S.) Capital Corporation, Robert Martin, Hoyt C. Murray, John E. O'Connor, James A. Paduano, the Pergament Family, Edwin Roland, Nicholas J. and Julie Sakellariadis, David Supino, Linda J. Pohs, John R. Tillotson, Lad Equity Partners, L.P., P.E. Partners, LLC, and Travelers Insurance Group.

7. ZC is further connected with Chase through ZC's minority ownership in and other relationships (including participation in a credit facility granted by Chase) to a subsidiary of Chase. Currently, ZC is also providing the subsidiary advisory and management services including board representation.

8. To the best of ZC's knowledge and belief, except as set forth in Schedule 1 to this affidavit, none of ZC's former clients (including their affiliates, officers, directors, principal shareholders and their respective affiliates) or the limited partners or investees (including their respective affiliates that are known to ZC) of the Fund or Chase is connected to the entities listed below, other parties in interest herein or interests adverse to such parties:

- (a) the Debtors and their affiliates;
- (b) the Debtors' officers and directors;
- (c) the 20 largest unsecured creditors of each Debtor;
- (d) parties to significant litigation with the Debtors;
- (e) the attorneys, accountants and other advisors that the Debtors have sought authority to employ in these chapter 11 cases, pursuant to applications filed on the Petition Date;
- (f) material secured lenders; and
- (g) material unsecured bank lenders.

9. On or about on August 11, 1999 the Debtors engaged ZC to: a) Assist management in analyzing the Company's short-term cash flow forecast, and provide advice with respect to developing and implementing actions intended to improve liquidity, b) Advise and assist management in refining its long-term business plan, to serve as a basis for the development of a

capital restructuring plan for the Company, c) Based on the financial projections developed in the long-term business plan, advise and assist management in developing and evaluating alternative capital structures as a basis for formulating a restructuring plan, d) Advise and assist management in negotiating a new capital structure with its various creditor constituencies, as appropriate, and e) Perform other services as were requested and we agreed to provide. Additionally, the Debtors engaged ZC on October 25, 1999 to provide the following additional services: a) Advise and assist management with its cash management; b) Advise and assist management with its asset disposition program; c) Advise and assist management with improvement of its current accounting, internal control procedures, and other management processes; d) Advise and assist management with the administration of the construction budget process; and e) Perform other services as were requested and we agreed to provide. On December 6, 1999, the Debtors engaged Zolfo Cooper Management, LLC, and affiliate of ZC ("ZCM") to provide management services to the Debtors, electing the services of Stephen Cooper as the Chief Restructuring Officer and Philip Gund as the Acting Chief Financial Officer and other staff to perform other services as required. Such ZCM engagement ran parallel with the ZC advisory engagement of October 25, 1999. ZC provided such management and advisory services from the date of its engagement to May 1, 2000 at which time ZC resigned from the position of Chief Restructuring Officer and on April 16, 2000, the Debtors' hired a permanent Chief Financial Officer and at such time ZC's services as Acting Chief Financial Officer ceased.

10. The Debtors are very large, complex enterprises, principally engaged in the operation of full service golf centers and certain related businesses, with operations at over 110 locations throughout the United States and Canada with its corporate offices in Melville, New York. Accordingly, the Debtors require the services of experienced Bankruptcy Consultants and Special Financial Advisors to assist them in restructuring the business and developing, negotiating and confirming Plans of Reorganization. Because of ZC's expertise and experience at a national level in providing reorganization, accounting and a broad range of consulting services to Debtors and other parties in interest in financially complex troubled situations, the Debtors have requested that ZC provide such services to them.

11. ZC has agreed to provide assistance to the Debtors in accordance with the terms and conditions set forth herein, in the Debtors' Application to employ ZC and in the Engagement Letter which is appended hereto as Exhibit "A" and incorporated herein by reference. Accordingly, I make this Affidavit in support of an order authorizing such retention.

12. All the services that the Firm will provide to the Debtors will be (i) at the request of the Debtors, (ii) appropriately directed by the Debtors so as to avoid duplicative efforts among the professionals retained in the case and (iii) performed in accordance with applicable standards of the accounting profession. It is presently anticipated that ZC will provide the following services:

- (a) Advise and assist management in organizing the Debtors' resources and activities so as to effectively and efficiently plan, coordinate and manage the chapter 11 process and communicate with customers, lenders, suppliers, employees, shareholders and other parties in interest;
- (b) Assist management in designing and implementing programs to manage or divest assets, improve operations, reduce costs and restructure as necessary with the objective of rehabilitating the business;
- (c) Advise the Debtors concerning interfacing with Official Committees, other constituencies and their professionals, including the preparation of financial and operating information required by such parties and/or the Bankruptcy Court;
- (d) Advise and assist management in the development of a Plan of Reorganization and underlying Business Plan, including the related assumptions and rationale, along with other information to be included in the Disclosure Statement;
- (e) Advise and assist the Debtors in forecasting, planning, controlling and other aspects of managing cash, and, if necessary, obtaining DIP and/or Exit financing;
- (f) Advise the Debtors with respect to resolving disputes and otherwise managing the claims process;
- (g) Advise and assist the Debtors in negotiating a Plan of Reorganization with the various creditor and other constituencies;
- (h) As requested, render expert testimony concerning the feasibility of a Plan of Reorganization and other matters that may arise in the case; and
- (i) Provide such other services as may be required by the Debtors.

Qualifications

13. As a nationally recognized independent financial advisory and consulting firm specializing in advising debtors, creditors, investors and court-appointed officials in formal bankruptcy proceedings and out-of-court workouts, ZC has significant qualifications and experience in these matters. ZC has a reputation for quality and breadth of experience, and a proven track record for success, earned by serving clients in numerous nationally prominent bankruptcy proceedings. A statement setting forth the Firm's qualifications is attached hereto as Exhibit "B."

Staffing and Approach

14. A substantial portion of ZC's work is advisory and involves ZC's professionals counseling senior client personnel regarding high-level strategic and tactical issues. Consistent with its relatively unique practice, ZC's staff consists primarily of seasoned professionals. A typical new employee at the Firm is a former "Big 5" partner or manager frequently with from five to more than seven years of experience. Indeed, more than 50% of ZC's professionals have in excess of ten years of relevant business experience. Both the Firm's internal structure and work approach are designed around its unusual staff composition of senior professionals. ZC staff professionals do not have titles; the title member at ZC is a legal distinction, not a distinction of professional proficiency. Individual staff members are assigned project manager or project staff roles, to bring to bear their particular talents and experience in view of the specific requirements of the engagement. ZC provides high value for its fees, efficiently leveraging its experienced professionals by directing client personnel to perform routine tasks.

15. Philip J. Gund, CPA, CIRA, CVA the member who will be responsible for this engagement has more than 17 years of professional accounting and consulting experience. A graduate of Pace University, he is a business planning and financial restructuring specialist. He will be responsible for the overall design of the Firm's services and direction of the engagement team. Mr. Gund will be assisted by Michael J. Connell, who, as project manager, will be responsible for all aspects of engagement administration and the coordination of the efforts of the assigned staff. Mr. Connell has 9 years of business experience, including 4 years advising troubled companies.

16. Integral to any team approach, and essential to minimize misunderstandings and assure continuity of service in a large, multifaceted case such as this one, are conferences, meetings and worksessions among the members of the engagement team. Ongoing communications and review of workproduct facilitate the sharing of information and assure continued alignment with established priorities and objectives, thereby reducing the time expended and avoiding duplicative efforts. ZC communicates continually with its clients on the status and results of its work efforts and interfaces with other professionals to improve coordination and ensure that it does not duplicate services rendered by other professionals retained in the case.

Billing Practices

17. It is the intention of ZC to seek compensation for its services as described herein and in the Debtors' application in accordance with its customary practices and in accordance with the guidelines of this Court. ZC charges fees based on actual hours expended to perform its services at standard hourly rates established for each member, principal and employee, as adjusted semi-annually. It is the customary practice of the Firm to bill clients for travel time consistent with the guidelines of the jurisdiction. Time entries are recorded in six minute increments. Fees reflect economies resulting from the use of paraprofessional and support personnel to develop schedules and analyses, input computer data, perform research, work on fee applications, and other

activities necessary to the efficient administration of a case. So as not to burden clients who do not require such services, ZC does not include support services in the Firm's overhead for the purpose of establishing billing rates. Billing rates are generally representative of prevailing market rates, as awarded by other Courts in similar circumstances, for practitioners providing such services at a national level who have comparable skill and experience. The billing rates for professionals who may be assigned to this engagement in effect as of January 1, 2000 are as follows:

	<u>Per Hour</u>
Principals/Member	\$390 - \$450
Professional Staff	\$150 - \$385
Paraprofessional and Support Personnel	\$75 - \$125.

18. ZC charges its clients only for reasonably incurred, out-of-pocket expenses associated with an assignment including, but not limited to, costs of reproduction, typing, our legal counsel, any applicable state sales or excise taxes and other direct expenses. Except as necessary to comply with an applicable Administrative Order, all such expense billings are in accordance with the Firm's customary practices. ZC personnel stay at convenient, quality hotels and eat at quality restaurants; ZC does not incur costs for luxury accommodations or deluxe meals and when prohibited by applicable Administrative Order does not bill clients for first class airfare. Except as follows, all expenses will be billed at actual cost, exclusive of amortization of the cost of any investment, equipment or capital outlay: (i) For Southern District of New York cases, substitute: internal charges for outgoing out-of-town facsimile transmissions will be billed at \$1.25 per page for domestic transmissions and \$2.50 per page for foreign transmissions, and (ii) internal photocopy charges will be billed at \$.20 per page.

19. ZC maintains contemporaneous records of the time expended and out-of-pocket expenses incurred in support of its billings for services. All such records are located in the Firm's offices

and are available for inspection, subject to certain matters contained therein that may be privileged.

20. Invoices for services rendered and out-of-pocket expenses incurred during each month will be submitted to the Debtors no later than twenty days after the end of the month with copies to the Trustee and the chair of each Official Committee. Each such invoice will be accompanied by a list of professional, paraprofessional and support personnel providing services, their respective billing rates; the aggregate hours expended by each such person; and a general description of the services rendered, summarized by discrete project; a detailed description of the services performed by each professional, paraprofessional and support person providing such services; the time expended organized by debtor, by discrete project, by day and a reasonably detailed breakdown of the disbursements incurred and an explanation of the Firm's billing practices. Invoices are payable by the Debtors in accordance with the administrative procedures established by the Bankruptcy Court, however, all such payments will be subject to final allowance by the Bankruptcy Court.

21. ZC has received a retainer from the Debtors in the amount of \$200,000, less application of any outstanding prepetition fees and expenses. The balance is to be held subject to further order by the Bankruptcy Court.

/s/ Philip J. Gund
Philip J. Gund

Sworn and subscribed to
before me this 21 day
of June, 2000

Pamela S. Charles
Notary Public

Notary Public, State of New York
No. 02CH4969454
Qualified in Nassau County
Commision Expires July 16, 2000

June 13, 2000

Mr. Dominic Chang
Chairman and Chief Executive Officer
Family Golf Centers, Inc.
538 Broadhollow Road
Melville, NY 11747

Dear Dominic:

This letter confirms the engagement of Zolfo Cooper, LLC (including its affiliates, "Zolfo Cooper") as Bankruptcy Consultants and Special Financial Advisors to Family Golf Centers, Inc. ("Family Golf" or the "Debtors"). You have informed us that the Debtors require the assistance of experienced Bankruptcy Consultants and Special Financial Advisors to assist them in restructuring the business and developing, negotiating and confirming a Plan of Reorganization as described more fully below.

In this connection, you have requested us to provide professional services as described hereinafter in accordance with applicable standards of the accounting profession. Our retention to provide such services must be approved by the Bankruptcy Court. We have begun to provide such services without having first obtained such requisite approval because of the necessity of the situation. However, we intend to refrain from providing services hereunder unless the Bankruptcy Court approves our retention on our customary terms and conditions of employment and our compensation for our services and reimbursement for our out-of-pocket expenses in accordance with our customary billing practices which are outlined in the Affidavit of Philip J. Gund to which this engagement letter is appended. Accordingly, we are not obliged to perform services hereunder until the requisite approval of the Bankruptcy Court has been obtained.

It is presently anticipated that, at the request of the Debtor, Zolfo Cooper will provide the following services:

- (a) Advise and assist management in organizing the Debtors' resources and activities so as to effectively and efficiently plan, coordinate and manage the chapter 11 process and communicate with customers, lenders, suppliers, employees, shareholders and other parties in interest;
- (b) Assist management in designing and implementing programs to manage or divest assets, improve operations, reduce costs and restructure as necessary with the objective of rehabilitating the business;

- (c) Advise the Debtors concerning interfacing with Official Committees, other constituencies and their professionals, including the preparation of financial and operating information required by such parties and/or the Bankruptcy Court;
- (d) Advise and assist management in the development of a Plan of Reorganization and underlying Business Plan, including the related assumptions and rationale, along with other information to be included in the Disclosure Statement;
- (e) Advise and assist the Debtors in forecasting, planning, controlling and other aspects of managing cash, and, if necessary, obtaining DIP and/or Exit financing;
- (f) Advise the Debtors with respect to resolving disputes and otherwise managing the claims process;
- (g) Advise and assist the Debtors in negotiating a Plan of Reorganization with the various creditor and other constituencies;
- (h) As requested, render expert testimony concerning the feasibility of a Plan of Reorganization and other matters that may arise in the case; and
- (i) Provide such other services as may be required by the Debtors.

In addition to the specific services listed above that we will perform, we understand that we will participate, at your request and to the extent appropriate, in meetings and discussions with the Official Committee of Unsecured Creditors of Family Golf Centers, Inc., the Unofficial Bank Group, other creditor constituencies, and with their respective professionals.

Our work will be performed on a "level-of- effort" basis; that is, the depth of our analyses and extent of our authentication of the information on which our advice to you will be predicated may be limited in some respects due to the extent and sufficiency of available information, time constraints dictated by the circumstances of our engagement, and other factors. Moreover, we do not contemplate examining any such information in accordance with generally accepted auditing or attestation standards. Rather, it is understood that, in general, we are to rely on information disclosed or supplied to us by employees and representatives of the Debtors without audit or other detailed verification of their accuracy and validity.

It is our intention to work closely with you throughout our engagement. Regular discussions with you of our engagement should facilitate our progress, enable you to appropriately direct our efforts so as to avoid duplicative efforts among the professionals retained in the case, and provide you with relevant information and an ongoing opportunity to confirm or request that we modify the scope of our engagement to best serve your objectives.

In order for us to perform our services, it will be necessary for our personnel to have access to your facilities and to your books, records and reports. In addition, we will need to have discussions with your management and certain other personnel. We will perform our services in a manner which will permit your business operations to proceed in an orderly fashion, subject to the requirements of this engagement.

We will submit periodic oral and/or written reports summarizing our evaluations and analyses based on our work pursuant to this engagement letter. Our reports will encompass only matters that come to our attention in the course of our work that we perceive to be significant in relation to the objectives of our engagement. However, because of the time and scope limitations implicit in our engagement and the related limitations on the depth of our analyses and the extent of our verification of information, we may not discover all such matters or perceive their significance. Accordingly, we will be unable to and will not provide assurances in our reports concerning the integrity of the information used in our analyses and on which our findings and advice to you may be based. In addition, we will state that we have no obligation to and will not update our reports or extend our activities beyond the scope set forth herein unless you request and we agree to do so.

We understand that the Debtors have agreed to treat any information received from Zolfo Cooper, whether orally or in writing, with utmost confidentiality and, except as provided in this letter, will not publish, distribute or disclose in any manner any information developed by or received from us without our prior written approval. Such approval shall not be unreasonably withheld. Our approval is not needed to disclose such information to the Debtors' legal counsel or if either the information sought is required to be disclosed by an order binding on Zolfo Cooper, issued by a court having competent jurisdiction over Zolfo Cooper (unless such order specifies that the information to be disclosed is to be placed under seal) or such information is otherwise publicly available.

We agree that all information, not publicly available, which is received by us from the Debtors or the Debtors' counsel in connection with this engagement will be treated confidentially by our Firm, except as required by process of law or as authorized by the Debtors.

Our fees will be based on the actual hours expended at our standard hourly rates which are in effect when the services are rendered; our rates generally are revised semi-annually. We will also be reimbursed for our reasonable out-of-pocket expenses including, but not limited to, costs of reproduction, typing, our legal counsel, any applicable state sales or excise taxes and other direct expenses. All such billings will be in accordance with our customary practices and in accordance with applicable guidelines of the Bankruptcy Court. Our current hourly rates are as follows:

Principals/Member	\$390 - \$450
Professional Staff	\$150 - \$385
Support Staff	\$75 - \$125

Zolfo Cooper reserves the right to seek court approval for additional compensation in circumstances where extraordinary results may warrant such additional compensation. Zolfo Cooper further reserves the right, subject to court approval, to receive payment for compensation awarded in a form other than cash.

It is our policy in these cases to receive a security retainer prior to the commencement of our activities. The retainer secures payment of our invoices for professional services rendered. Given the magnitude and scope of the services you have requested, we require a retainer of \$200,000. The retainer will be reduced by any current outstanding prepetition fees and expenses.

We will submit to you monthly invoices for all services rendered and expenses incurred; our invoices are payable in accordance with the administrative procedures established by the Bankruptcy Court. We confirm that you will obtain a Bankruptcy Court Order approving this arrangement. All such payments will be subject to final approval by the Bankruptcy Court.

You agree that if any of the principals or employees of Zolfo Cooper is required to testify at any administrative or judicial proceeding relating to this matter, either during or after the termination of this engagement, our Firm will be compensated by you for our associated time charges at our regular hourly rates, in effect at the time, and reimbursed for reasonable out-of-pocket expenses, including counsel fees.

We confirm that to the best of our knowledge and belief, insofar as we have been able to ascertain after due inquiry, no one of the principals or employees of Zolfo Cooper is related to the Debtors, their creditors, other parties in interest in the pending proceedings, or the United States Trustee or anyone employed in the Office of the United States Trustee, or holds or represents any interest adverse to any such party, except that Zolfo Cooper is connected with the Debtors by virtue of this engagement and Zolfo Cooper may represent or have represented certain of the Debtors' creditors or other parties in interest in the proceedings, or interests adverse to such creditors or other parties in interest, in matters unrelated to the Debtors' bankruptcy cases.

In connection with our proposed retention by the Debtors in these cases, we undertook to determine whether we had any conflicts or other relationships that might bear on our retention. Prior to 1995, we did not maintain a formal database of completed assignments listing our former clients' affiliates, officers, directors, principal shareholders and their respective affiliates. Consequently, we researched our client files and records which contain information retained under our normal record retention policies, and, based upon our research, constructed a database of entities for which we had performed services during the prior five years (the "Client Database"). We have since maintained the Client Database and expanded it to include entities for which we performed services subsequently.

It should be understood that our former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates may have had relationships with parties in interest in these bankruptcy cases of which we were not informed or, subsequent to the performance of our services, may have developed relationships with such parties of which we are unaware. Moreover, the client files and records from which the Client Database was developed initially were not designed for the purpose of documenting client relationships. In addition, such files and records, at a previous time, may have contained pertinent information that was subsequently disposed of in accordance with our normal record retention policy. Therefore, the Client Database may omit certain relationships that satisfy the criteria set forth above.

In addition to our former clients and their affiliates, officers, directors, principal shareholders and their respective affiliates, the Client Database includes the limited partners, investees, and their respective affiliates that are known to us, of Catalyst Equity Fund, LP (the "Fund"), a Delaware limited partnership that invests in middle market businesses that are not performing to their full potential, primarily financially distressed companies. The Fund's general partner, Catalyst Equity Fund Partners, LLC ("CEFP"), a Delaware limited liability company, is majority-owned by CFL Capital, LLC ("CFL"), a New Jersey limited liability company that is controlled (through limited partnerships under their control) by Stephen F. Cooper, Michael E. France and Leonard J. LoBiondo, who are partners and principals of Zolfo Cooper. The limited partners, consisting of large financial institutions, funds and sophisticated individual investors and investment trusts, are passive investors in the Fund that are not required to disclose to the Fund, CEFP, CFL or Zolfo Cooper their holdings or interests. Accordingly, they may own interests in or otherwise be connected to the Debtors, the Debtors' creditors, other parties in interest herein or interests adverse to such parties of which the Fund, CEFP, CFL and Zolfo Cooper are not aware. The limited partners are the following entities or affiliates thereof: BancBoston, William R. Berkley, Chase, Citibank, N.A., Cramer Rosenthal McGlynn, Inc., CRM 20/20 Fund, LLC, Duane Morris & Heckscher, LLP, David Dillard, The Zuckerman Children's Trust, First Union National Bank, Michael Fuchs, General Electric Capital Corporation, RS Catalyst Limited Partnership, R & M Catalyst Investors, Hexagon Investments, Inc., Robert J. Higgins, ING Barings (U.S.) Capital Corporation, Robert Martin, Hoyt C. Murray, John E. O'Connor, James A. Paduano, the Pergament Family, Edwin Roland, Nicholas J. and Julie Sakellariadis, David Supino, Linda J. Pohs, John R. Tillotson, Lad Equity Partners, L.P., P.E. Partners, LLC, and Travelers Insurance Group.

ZC is further connected with Chase through ZC's minority ownership in and other relationships (including participation in a credit facility granted by Chase) to a subsidiary of Chase. Currently, ZC is also providing the subsidiary advisory and management services including board representation.

To the best of Zolfo Cooper's knowledge and belief, except as we have reported to you and set forth in a schedule appended to the affidavit we prepared to be filed with the Bankruptcy Court in support of our retention, none of our former clients (including their affiliates, officers, directors, principal shareholders and their respective affiliates) or the limited partners or investees (including their respective affiliates that are known to us) of the Fund or Chase is connected to the entities listed below, other parties in interest herein or interests adverse to such parties:

- (a) the Debtors and their affiliates;
- (b) the Debtors' officers and directors;
- (c) the 20 largest unsecured creditors of each Debtor;
- (d) parties to significant litigation with the Debtors;
- (e) the attorneys, accountants and other advisors that the Debtors have sought authority to employ in these chapter 11 cases, pursuant to applications filed on the Petition Date;
- (f) material secured lenders; and
- (g) material unsecured bank lenders.

To the extent that we discover additional relationships that meet the above criteria, we will report them to you and the Court promptly.

The Debtors agrees to promptly notify Zolfo Cooper if it extends (or solicits the possible interest in receiving) an offer of employment to an employee or principal of Zolfo Cooper and agrees that it will pay Zolfo Cooper a cash fee, upon hiring, equal to 150% of the aggregate first year's annualized compensation, including any guaranteed or target bonus, to be paid to Zolfo Cooper, LLC's former principal or employee that the Company hires at any time up to one year subsequent to the date of the final invoice rendered by Zolfo Cooper with respect to this engagement.

The Debtors agrees that neither it nor any of its assignees or successors shall (a) seek a jury trial in any lawsuit, proceeding, counterclaim or any other action based upon, or arising out of or in connection with the engagement of Zolfo Cooper by The Debtors or any services rendered pursuant to such engagement, or (b) seek to consolidate any such action with any other action in which a jury trial cannot be or has not been waived. The provisions of this paragraph have been fully discussed by The Debtors and Zolfo Cooper and these provisions shall be subject to no exceptions. Neither party has agreed with or represented to the other that the provisions of this section will not be fully enforced in all instances.

The Debtors hereby irrevocably and unconditionally (a) submits for itself and its property in any legal action or proceeding relating to the engagement of Zolfo Cooper by The Debtors or any services rendered pursuant to such engagement, to the non-exclusive general jurisdiction of the Courts of the State of New York, the Courts of the United States of America for the Southern District of New York, and appellate courts from any thereof; (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to The Debtors at its address set forth above or at such other address of which Zolfo Cooper shall have been notified pursuant thereto; (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and (e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any special, exemplary or punitive or consequential damages.

Notwithstanding anything to the contrary contained herein, Zolfo Cooper shall have the right to disclose its retention by the Company or the successful completion of its services hereunder in advertisements describing its services placed, at its own expense, in financial and other newspapers or otherwise.

We look forward to working with you on this important matter. Please return a copy of this engagement letter, signed in the space provided to signify your agreement with the terms and provisions herein. If you have any questions, please call Philip J. Gund at (212) 213-5555.

Very truly yours,

/s/ Zolfo Cooper, LLC

Zolfo Cooper, LLC

Agreed by:

Pamela S. Charles

Family Golf Centers, Inc.